

OGC HAS REVIEWED.

OCT 19 1953

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT: Inclusion of Differentials in the Computation of
Lump-Sum Leave Payments

REFERENCES: a. Memorandum from the A/DDA to Personnel
Director dated 19 September 1953, Same Subject
b. Memorandum from the Acting Personnel Director
to the A/DDA dated 24 August 1953, Same
Subject

1. With reference to your inquiry whether the Agency can and should include differentials as "additional compensation" in the computation of lump-sum leave payments, this Office believes that no action should be taken to eliminate their inclusion.

2. Cognizance is taken of the fact that Federal employees who receive differentials under authority of the Standardized Post Differential Regulations and Civil Service Regulations are entitled to have them included in the computation of lump-sum leave. Informal verbal discussions with the Office of the General Counsel indicate that decisions of the Comptroller General uphold the inclusion of differentials in the computation of lump-sum leave payments and that P. L. 110 does not contain authority for the Agency to set aside this right. Thus, consideration of differentials as "additional compensation" prevails throughout the Federal service.

3. It is recognized that overseas employees paid from confidential funds are ineligible for the inclusion of differentials in computations of lump-sum leave by virtue of Agency adherence to the Foreign Service Regulations. The discrimination between these personnel and other overseas employees, however, is insignificant because of the few cases involved. As a consequence, it is not believed necessary to take action to provide this right to employees paid from confidential funds.

4. It is accordingly recommended that the Agency continue to include differentials in payments to employees in U. S. territories and those stationed at overseas posts who are paid from

vouchered funds, since they are entitled to such payments by statute. It is further recommended that no action be taken to provide such payments for overseas employees paid from confidential funds who are not so entitled.

GEORGE E. MELOON
Personnel Director

Attachments

CONCUR:

14/

Office of the General Counsel

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